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ABSTRACT

Although the federal influence on higher education is important, throughout the United States' history the state role in higher education has been a vital and changing one, and not always uniform. In 1976, two-thirds of the institutional revenue coming from government came from the states, making the state issue an important one. One of the most striking recent developments, too, is the establishment of additional statewide governing and coordinating boards, whose role has evolved into a large and complex one. It would be all too easy to look at the changing situation as involving simply further erosion of institutional independence. But there is another dimension: the possibility of maintaining the kind of independence essential to academic integrity along with being reasonably accountable for quality and results required by the state. These dimensions may depend far more fully than in the past on effective institutional involvement and cooperation with state higher education boards and agencies. (Author/MSE)

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THE STATES AND HIGHER EDUCATION

To talk about the impact of states on higher educational institutions is not quite the simple matter it might seem at the outset. It is not like talking about the impact of the federal government on higher education, for the federal government is one. As complicated as it sometimes may be and as inconsistent as laws, regulations and the territorial issues among federal agencies may be, federal impact, within limits, is relatively uniform across the states.

The situation on the state level is very different. There really are fifty different states with fifty different structures related to their historical developments, social, cultural and geographical differences, and educational expectations and to their analyzed or felt needs. No two are exactly alike and generalizations about state governments or state systems of higher education are exceedingly dangerous.

The relation of the states to higher education is and has been a fascinating and changing one throughout the history of this country. The primary responsibility for education at all levels was reserved to the states by the Tenth Amendment of the Constitution. At the outset the state role was minimal but during the first 150 years it gradually increased. The states chartered independent institutions and established institutions of their own. They developed the normal schools that later were to become state colleges and regional universities. They responded to the Morrell Land-Grant Act of 1862 by establishing institutions that were to become leading state universities. But throughout the 19th and well into the 20th century higher education was dominated by the

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independent institutions. In addition, since as late as 1900 only 4 percent of the college-age population attended college higher education was not a major public issue.

After World War II the picture began to change radically. Enrollments in the public institutions already equaled those in the private institutions. In the late-50s, the 60s and the 70s we have gone through a phenomenal period of higher education expansion. Between 1960 and 1976 enrollments increased from 3.7 million to 11.2 million students. Although both public and independent enrollments have gone up the major increase has been in the public sector. Today independent institutions enroll only about 21 percent of all postsecondary students. Higher education expenditures have jumped from $5.7 billion in 1960 to close to $40 billion in 1976, a sevenfold increase. By any standard higher education has become big business and a major item of public interest and concern in all of the states.

It is important at the outset to recognize just how critical a role the states today do play in higher education. It was primarily the states that funded the rapid expansion of the 60s and the first half of the 70s. Over 400 new public campuses were built between 1960 and 1970. While not every student was able to go to the institution of his choice during this period no students were barred from higher education for lack of space.

In spite of what frequently appears to be the center of attention the federal government receives in discussions of higher education, it is the states where the basic action takes place and from whence the major funding for higher education comes. Thus to return to the approximately $40 billion ($39.6) incc of higher educational institutions in 1976,

more than one half ($20.3 billion) came from government and of this half more than two-thirds came from state and local government ($11.9 billion state, $1.6 billion local). Of the total income to public institutions amounting to $26.7 billion in 1976, more than two-thirds ($17.4 million) came from government. Of this two-thirds, two-thirds ($11.7 billion) came from the states. While the amount of public funds going into private institutions is considerably less ($3 billion out of $12.9 billion) approximately one-eighth of the government funds for private institutions comes from the states and this does not include indirect aid such as tax exemption.[1] Looked at in this context the question of dealing with state government particularly for public institutions has been and will continue to be of a somewhat different magnitude than dealing with federal programs, as important as these may be.

Among the most striking developments on the state level over the past two decades has been the establishment of additional statewide coordinating and governing boards.

Coordinating boards are not a new phenomenon. The first one was established by the first regular session of the New York legislature in 1784 as "the regents of the University of the State of New York" to serve as the trustees or governing board for the reconstituted King's College as Columbia University, but it was also empowered to serve as trustees for "such schools or colleges as might be established in any other part of the state."[2] The law was revised in 1787 giving Columbia its own board of trustees but retaining supervisory power to the regents for academies,

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[1]American Council on Education, A Fact Book on Higher Education, First Issue, 1977. 77.60-77.61.

[2]Frank Abbott, Government Policy and Higher Education, Ithaca, New York: Cornell University Press, 1938, p. 14.

schools and colleges "to enable them to mold the several institutions into a unity that would serve the best interests of the people of the state as a whole."[3] Thus the first state educational board in the country was a higher education board -- a consolidated governing board for a short period and then for almost two centuries a coordinating board. From the beginning the regents had the explicit responsibility and power to make plans and policies for higher education without regard to distinctions in public and private control. As an historical footnote, the regents did not become responsible for elementary/secondary education until the 20th century.

Before the end of the 19th century four states had established consolidated governing boards for their public institutions and Florida had developed its unique Board of Education consisting of the governor and his cabinet which still has the responsibility for coordinating all levels of education in the state. By the end of World War II, 17 states had established central higher education agencies, most of which were consolidated governing boards.

The real pressure for statewide coordination began in the 50s and accelerated in the 60s and 70s. Six coordinating boards, three of whom later became consolidated governing boards, appeared in the 50s. From 1960 to 1975, 24 additional boards were established. Most of the boards developed during this period were created by governors and legislators to deal with problems of expansion. In fact the legislation creating such boards frequently specified as their central purpose -- "to provide for the orderly expansion of public higher education in the state."

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[3] Ibid.

Today, if one includes the two states with executively appointed planning agencies only all 50 states with the possible exception of Wyoming have some form of state higher or postsecondary board and agency. Nineteen of these are consolidated governing boards, 11 of which include all public higher educational institutions and eight of which include only senior public institutions. Twenty nine are coordinating agencies. Two are executively appointed planning commissions only.

The structures, functions and powers of these boards vary considerably from state to state. In fact there are no two that are exactly alike. They vary in the number of institutions under their purview and their responsibilities in relation to them. Even among governing board states some boards govern most or all public postsecondary institutions and some senior or four-year institutions only.

Coordinating boards vary even more widely than governing boards. They range from states like Oklahoma where the State Regents submit a consolidated budget and appropriations are made to the regents who allocate funds among institutions, review and approve all programs and are responsible for planning for all postsecondary education, to states like Nebraska where the Coordinating Council for Postsecondary Education has no program review or budgetary function and is primarily a legislatively and executively authorized planning and advisory agency.

Just to complicate the picture further in eight of the states the board or agency responsible for postsecondary education also is responsible for elementary/secondary education and in four of these the same person is the chief state school officer and the state higher education executive officer. In six states the board or its executive officer has cabinet status.

In relation to the three major areas in which most boards have some responsibility either prescribed by law or developed by policy -- planning, program review or approval and budget development -- boards vary from state to state both in the powers they have for carrying out these functions and in the scope of their applicability. In fact both power and applicability vary in regard to each of the functions in question.

While specific factors that gave rise to such boards during the 60s and early 70s and the timing of their formation as well as the form they took varied from state to state, there were some relatively common concerns within the general concern of providing for orderly growth that contributed to their formation and to their functions. Among these were concern (1) with the increasing rates of expenditure and a desire to keep these expenditures in perspective and balance, (2) with budgetary equity among institutions taking into account their different functions, (3) with assuring reasonable diversity among institutions within the system of higher education to meet the variety of state needs, (4) with avoiding unnecessary duplication of programs not related to demand in the expanding market, and (5) with balancing institutional operations with political and social realities as they relate to social and geographical distribution of opportunities. There was in addition in many states a legislative and gubernatorial desire not to have to deal with interinstitutional rivalries directly in executive chambers, in legislative committees and on the legislative floors but to find a means of ameliorating these beforehand. Admittedly there was and still is more than a little legislative ambivalence on this particularly in relation to any institutions in a legislator's home district.

In the late-60s and early-70s additional concerns have become progressively prominent growing first out of student unrest and then out of the changing fiscal situation -- recession and then depression. These have included concern (1) with institutional management and efficiency, (2) with far more, and more accurate information as a basis for decision making, (3) with relevance of programs to student needs, (4) with accountability for use of public funds, and (5) with the relation of postsecondary educational programs to manpower needs and the world of work.

The fact that 48 states have legislatively, and in some cases constitutionally, authorized coordinating or governing boards is rather strong evidence that they were created to meet real needs that were not or could not be met by institutions separately. It should also be noted that to date, with the possible exception of Wyoming which is currently in a state of transition, no state that has established a coordinating or consolidated governing board has abandoned it for a return to no coordination or voluntary coordination.

Where coordinating boards have been abolished -- as in North Carolina, West Virginia, Wisconsin and Utah -- they have been replaced by consolidated governing boards. If there is a trend it has been toward increasing the role or power of such boards, including governing boards. Between 1970 and 1975 23 states modified their state higher education agencies and with two possible exceptions the modifications were in the direction of strengthening them. In 1976 alone 17 states at least considered modifications primarily in the direction of strengthening board powers and functions.

Today boards across the country are under scrutiny; one might almost say they are in trouble, but the trouble is not that they are too strong but

that they frequently are perceived whether correctly or not as not having sufficient power to do what legislators and governors expect of them, or if they do have the power, they are not perceived as effectively and fully exercising it. The reasons are not too difficult to grasp.

States, state agencies and institutions are faced with a series of issues, trends and conditions related in various ways to the fact that the period of rapid expansion appears to be over. Legislative and executive as well as public expectations are changing or have changed. On how state higher education agencies and institutions meet some of these issues may well depend the shape and direction of postsecondary, including higher, education for the rest of the century. One thing that does seem rather clear is that any return to a period of institutional laissez faire such as tended to characterize the first two-thirds of this century is highly unlikely. State systems are here to stay and while they may change in structures and functions the trend towards strengthening them is likely to continue. In fact, to the extent that there is an alternative to coordination it tends to lie in the direction of direct legislative or executive involvement or intervention in higher educational processes and decision making rather than in the direction of increasing institutional independence or autonomy.

It may thus be worthwhile to outline briefly some of the issues, trends and conditions that are likely to modify or are modifying state/postsecondary educational institutional impact and relations.

The first issue relates to students and the demographic and enrollment projections for the 1980s and 90s. You are as well aware of the demographic facts as are legislators, governors and state higher education

agencies. While the post-war bulge of 18- to 24-year-olds will continue to increase until around 1980 it will then start to drop and will fall off nationally 4.1 percent by 1985. It has already begun to drop in some states and while the 4.1 percent is a national figure for 1985, in some states it will be as high as 22.3 percent. The enrollment picture among 18- to 24-year-olds is not as encouraging as the demographic picture. Enrollments have gone up in the last few years except for 1976 but they have been uneven by type of institution and they have not increased at a rate commensurate with the 18- to 24-year-olds. We have had more than a 7 percent drop in the number of high school graduates going on to college in the last 7 years and even a decline in the number of high school age young people completing high school.[4]

Colleges and universities are faced with the prospects of declining enrollments or developing new student clienteles or more likely both at the same time. This raises issues and creates problems at the state system as well as the institutional level. It means tnat statewide planning in most states will have to be at best for holding even and more likely for declining enrollments. It means that concern will not be with new structures and increased capital outlay but with effective use of existing resources, with readapting existing structures to modified usage, with how to use effectively excess space. It means that state agencies and institutions working together will need to develop contingency plans for retrenchment and at the same time preserve quality while maintaining or increasing the progress that has been made in providing access to minorities and women. None of this will be easy. Each institution has

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[4]American Council on Education, A Fact Book on Higher Education, First Issue, 1977. 77.16-77.17.

a tendency to believe that the cutbacks will take place in other institutions but that somehow it is an exception. In such a situation hard decisions may have to be made at the state level that will directly impact internal governance at the institutional level. The one thing that is critical is that everyone -- institutions and state agencies -- be party to the discussions and planning so that no one will be taken by surprise.

The question of new clienteles and the search for them is a fascinating one and may not be subject to as easy solutions as is sometimes argued. Currently for all institutions the "new clientele" tends to be older students. The current concern with lifelong learning including national recognition of its importance in the Mondale Amendment to the Education Amendments of 1976 has in some quarters engendered visions of older students flocking to the campus, replacing the diminishing 18- to 24-year-olds. This kind of optimism, it seems to me, needs some sober reconsideration. While there may indeed be a large group of older citizens potentially interested in further education the assumption that they will compensate either for declining 18- to 24-year-olds or that they will, if they come, engender the same or increasing levels of state support are at least open to question. Average college age has gone up in the last few years particularly in community colleges. Close to half of the current college students are over the "traditional" college age and one in every ten students is over 35.[5] The question at least needs to be raised as to whether the more interested older students are not already present, and one may wonder how large the actual reserve is. It is reasonably clear that additional older students will not come in large

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[5]Carol Van Alstyne, Financing Higher Education: Basic Facts Underlying Current Issues, American Federation of Teachers, Report No. 2, 1977. p.11.

numbers simply by opening the doors of traditional institutions to such students. The institutions that have had most success in involving older students are those that have been willing to make major changes in curriculum, services and modes of instruction to take education to the students rather than expecting the students to come to education. Even the assumption that increased numbers of older students will bring increased funding is also open to question. Most such students are part-time. It is not necessarily true that full-time equivalents of part-time students cost the same to educate as full-time students. Some governors and legislators are beginning to suspect that concern for older students has a less than altruistic motivation. Others have taken the position that working older students and not the state should be willing to pay more of the costs of their additional education.

Granting the importance and increase of adult, continuing education and lifelong learning there is another aspect of the picture that is of direct concern to state higher education systems and agencies. This already has become a highly competitive field and while competition to a point may be desirable not all competition to date has been either addressed to balance within the system or to meet intelligently the needs of older citizens. Currently the scramble for older students in some states has some of the characteristics of the jungle. Some in- and out-of-state institutions are creating off campus centers practically within other institutions and some are engaged in advertising campaigns more reminiscent of patent medicines than educational institutions. There are few areas in which the need for effective statewide planning to meet intelligently the educational needs of citizens is more acute than in the area of adult, continuing education and lifelong learning. Such planning will have impact on internal governance and responsible academic decisions

determination of institutional missions, roles and scopes.

The second issue involves the fiscal situation. With recession and depression we have already experienced in many states a slowdown in the rate of increased funding in spite of inflation. In a few states there have been actual cutbacks. The fiscal situation is improving and state income is increasing but there is little evidence that this will automatically mean major increases in higher education funding. Higher education no longer has the high priority it did in the 60s. Within higher education itself the student unrest of the late-60s and early-70s did not exactly inspire confidence. Recession and depression have increased state and taxpayer concern with frugality. Perhaps most important, the demands in other areas of public service -- health, welfare, energy and conservation -- have increased radically and state priorities have shifted. Finally, where state surpluses are appearing again taxpayer relief has moved to the top of the priority list. Even within education, while elementary/secondary education already has gone through enrollment declines, public concern with return to the basics, minimal competency and school district equalization plus the increased costs to the states of federal programs, including the new handicapped legislation, has tended to give elementary/secondary education a higher priority than higher education.

While funding is not likely to increase appreciably, state concern with accountability, a third issue, is increasing. The demand for accountability is taking at least four forms. The first is insistance upon more accurate, adequate and targeted information and the development of effective management information systems. The focus is not simply on quantity but on analysis, relevance and immediate availability.

The second form is what comes under the general rubric of performance audit. This includes not only fiscal audit but program audit -- that is, concern with outcomes, educational results and effectiveness. Some 20 states have developed their own legislative or gubernatorial version of the federal General Accounting Office. While these usually have not been set up specifically with higher education in mind, higher education or some form of it tends to be an early target for unlike many other state agencies higher education funds are not tied in most cases to mandatory formulas. This concern with performance raises critical questions about judgments of academic effectiveness, the criteria to be used, and institutional and system academic integrity. Since the demand will undoubtedly increase the issue is not whether it will be done but whether it will be done internally to higher education by the state higher education agency, in cooperation with institutions, or by an external agency with primary concern for efficiency rather than educational effectiveness. The one thing that seems clear is that if the institutions and the state agency, in other words, the academic community, do not assume this responsibility others are likely to do so (and in some cases already have done so).

The third form is increasing insistence on effective program review not only of new programs but of existing programs. The concern with and even demand for such program review is related to projected enrollments, the fiscal situation, presumed or actual duplication of programs and interest in maintaining quality in a period of retrenchment. In a majority of states the state agency authorizing legislation calls for review and/or approval of new and existing programs. In the period of expansion such review tended to be limited primarily to new programs. Today both governmental pressure and institutional concern with maintaining quality

in the face of retrenchment is making the issue of review of existing as well as new programs progressively central. While continuous program review is or should be an ongoing institutional function, in relation to diversification, role and scope and effective utilization of resources, it also is a matter of statewide concern.

Although the pressures for it have come from different groups for different reasons the fourth form of the demand for accountability involves concern for students as educational consumers. Admittedly students are considerably more than consumers of education. They are participants in the educational process and also its products. But they select institutions and invest both time and money in the educational process. While the question of institutional abuses of students may have been overplayed in the press and has almost become an obsession in certain quarters in Washington, that abuses do occur, that some institutions have engaged in questionable practices, and that some programs are marginal or submarginal would be hard to deny. Although students on the one hand do need protection against fraudulent and substandard operations and are entitled to such things as reasonable refund policies, more fundamentally on another level they deserve adequate information about institutions and programs on which to make reasonable choices. The states are concerned and involved (as is the federal government) with both levels. While there are a few exceptions most states now have more effective legislation and agencies concerned with chartering, licensing, and authorizing institutions to operate and grant degrees -- with insuring minimal operating standards -- then was the case only a few years ago. In more and more cases this state legislation relates not only to instate institutions but to out of state institutions operating within states. Those few states that do not have such legislation or where the legislation

lacks teeth have new legislation under consideration. On this issue model legislation prepared by the Education Commission of the States has had and continues to have considerable impact. On the more fundamental issue of more adequate information for student choice, while not as much progress has yet been made, a number of states have taken steps in the direction of developing statewide information networks for students and other states are in the process of doing so. The pressure both for effective state action in authorizing institutions to operate and in providing better information for students is likely to continue and increase.

A fourth issue is the growing state concern with other sectors of post-secondary education in addition to public higher education. While this was enhanced by the federal state postsecondary commission legislation (Section 1202), even before 1972 some states were beginning to realize that one could not plan effectively for public higher education without taking the range of postsecondary education -- independent, proprietary and vocational institutions -- into account. All of these constitute important parts of the "states" postsecondary educational resources. State concern with the independent sector in particular has become increasingly important. Not only is there concern that the independent sector needs to be included in the planning process but 43 states now make some form of direct or indirect aid available to them. Just what the continued role of the independent institutions will be in the unsteady state, how the values they represent can be preserved without weakening the state's primary responsibility to public institutions, how destructive forms of competition can be avoided are major issues in a number of states.

A fifth issue is the impact of collective bargaining. What its full impact will be not only on individual campuses but on statewide coordinating and governing systems is not yet clear. While it is not yet a national phenomena it is becoming so. Not only has it affected intra-institutional modes of operation but in some states, for example New York, it has led to negotiations not with local or system administrators but with the Governor's office directly. What role collective bargaining will play in the unsteady state still is to be determined. Will it increase or inhibit institutional flexibility in meeting changed conditions? Will it tend to reinforce greater centralization not necessarily through coordination and planning but through centralization of the bargaining process? What impact will it have when retrenchment, program review and consolidation, and performance audit come more fully into play?

Obviously there are other issues that involve the impact of states, state systems and statewide higher education agencies on postsecondary including higher educational institutions and vice versa.

However in terms of the changing conditions facing higher education involving statewide as well as institutional concerns I would suggest that the issues we have briefly reviewed are likely to be among the most pressing and the ones that particularly call for close cooperation among the executive and legislative branches of state government and statewide systems including state higher education agencies and institutions. These are the areas in which the impact of state concerns is likely to be most direct on institutions. The student situation is perhaps the most critical and in part sets the stage for the others. Changing enrollment patterns, concern for new clienteles, competition for students, effectively facing the conditions and potentials for lifelong learning,

and continuing to provide access for minorities and women call for changes in perspectives and planning at both institutional and statewide levels. The tightened fiscal situation and financing in an unsteady state in the face of the enrollment picture and changed priorities in state government involves the future health of every institution and the system of higher education as a whole. These directly relate to accountability, to concern with outcomes, to the quality of education, and to the effective use of higher educational resources to meet the higher and postsecondary educational needs of the states and nation. Integral to this is the growing importance of program review to insure diversity, quality and institutional as well as system integrity in fulfilling educational missions in the face of possible retrenchment and changing societal needs. Into this picture must be factored not only the resources of public higher education but the total postsecondary resources within the states.

None of these issues and conditions is easy and dealing with them will call for understanding, cooperation and accommodation on the part of all parties involved if the end result is to be the continued viability and health of institutions and systems. It will be even more important than in the past that lines of responsibility, of levels of decision making, and of involvement in the planning process and its implementation be clarified and developed.

It would and will be all too easy to look at the changing situation as involving simply further erosion of institutional independence. To some extent this may be the case if by erosion one means that institutions may have to operate more clearly within defined missions, will be held more fully accountable for quality and outcomes of programs, and will need to

look at issues both from the institutional and system points of view. But there is another dimension to this. It may well be the case that the possibility of maintaining the kind of independence essential to academic integrity along with being reasonably accountable for quality and results required by the states depends far more fully than in the past on effective institutional involvement and cooperation with state higher education boards and agencies than ever before.

The alternatives if this does not happen at this point seem to be clear. One is moving to even more centralized systems and consolidated governing boards. The second is direct intervention by the political community and this is a real and present danger. In one state now a legislative committee has by statute at least for the time being taken over directly the coordinating functions in that state, including determination of role and scope. The third alternative is a return to a Darwinian jungle in which everyone gets hurt. I strongly suspect that no state government is prepared or willing to let this happen.

Higher and postsecondary education is primarily a state issue. There is little question but that the states as in the past will continue to be the major sources of support for postsecondary including higher education in this country. But the conditions for continued and increased support are likely to be considerably more demanding. These demands will include making effective cases that the postsecondary and higher educational institutions are meeting continuing and changing needs of citizens, that they are utilizing their resources effectively, and that the results of so doing can be not necessarily quantified but documented more fully than in the past.

We are moving into a more difficult period. But if the institutions working together with state higher education agencies are willing to face the issues of priorities and work constructively with both the legislative and executive branches of state government, while there will be problems, they will not be insuperable and the end result is likely to be a leaner but healthier, and more diverse, system of higher and post-secondary education in each state and in the nation.

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